Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2016

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2016 or fiscal plan year beginning 12/25/2016 and ending 12/24/2017

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
LOCKHEED MARTIN ENGINEERING AND SCIENCES RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 016

1c Effective date of plan 03/31/1988

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
LOCKHEED MARTIN CORPORATION

6801 ROCKLEDGE DRIVE, CCT-115
BETHESDA, MD 20817

2b Employer Identification Number (EIN) 52-1893632

2c Plan Sponsor's telephone number 863-647-0370

2d Business code (see instructions) 339900

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2018	ROBERT MUENINGHOFF
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address (include room or suite number)

Preparer's telephone number

3a	Plan administrator's name and address [X] Same as Plan Sponsor	**3b**	Administrator's EIN
		3c	Administrator's telephone number
4	If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:	**4b**	EIN
a	Sponsor's name	**4c**	PN

5	Total number of participants at the beginning of the plan year	**5**	476
6	Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1)	Total number of active participants at the beginning of the plan year	**6a(1)**	6
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	11
b	Retired or separated participants receiving benefits	**6b**	477
c	Other retired or separated participants entitled to future benefits	**6c**	556
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	1044
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	57
f	Total. Add lines **6d** and **6e**.	**6f**	1101
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1B 1C 1I 3F 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [X] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] 0 **A** (Insurance Information)
- **(4)** [ ] **C** (Service Provider Information)
- **(5)** [X] **D** (DFE/Participating Plan Information)
- **(6)** [X] **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 12/25/2016 and ending 12/24/2017

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
LOCKHEED MARTIN ENGINEERING AND SCIENCES RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 016

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
LOCKHEED MARTIN CORPORATION

D Employer Identification Number (EIN)
52-1893632

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 12 Day 25 Year 2016

2 Assets:

a Market value	**2a**	69240112
b Actuarial value	**2b**	71785957

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	179	5321804	5321804
b For terminated vested participants	291	6456855	6456855
c For active participants	6	75178	75178
d Total	476	11853837	11853837

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	5.89 %
6 Target normal cost	**6**	72191

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary

10/08/2018
Date

JEFFREY K. MARTIN, F.S.A., E.A.
Type or print name of actuary

17-04379
Most recent enrollment number

PRIAC
Firm name

860-534-2435
Telephone number (including area code)

280 TRUMBULL STREET
HARTFORD, CT 06103-2975
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 5.31%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.08%		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	605.59%
15	Adjusted funding target attainment percentage	15	605.59%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	696.95%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.43%	5.91%	6.65%	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	3
22 Weighted average retirement age	**22**	63

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	72191
b Excess assets, if applicable, but not greater than line 31a	**31b**	72191

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	0

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	0
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2016

This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning 12/25/2016 and ending 12/24/2017

A Name of plan
LOCKHEED MARTIN ENGINEERING AND SCIENCES RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 016

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
LOCKHEED MARTIN CORPORATION

D Employer Identification Number (EIN)
52-1893632

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: L.M. CORP. MASTER RETIREMENT TRUST

b Name of sponsor of entity listed in (a): NORTHERN TRUST

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
22-3546821-001	M	77559215

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE G (Form 5500)

Department of Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Financial Transaction Schedules

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2016

This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning 12/25/2016 and ending 12/24/2017

A Name of plan
LOCKHEED MARTIN ENGINEERING AND SCIENCES RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 016

C Plan sponsor's name as shown on line 2a of Form 5500
LOCKHEED MARTIN CORPORATION

D Employer Identification Number (EIN)
52-1893632

Part I **Schedule of Loans or Fixed Income Obligations in Default or Classified as Uncollectible**

Complete as many entries as needed to report all loans or fixed income obligations in default or classified as uncollectible. Check box (a) if obligor is known to be a party in interest. Attach Overdue Loan Explanation for each loan listed. See Instructions.

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

Part II Schedule of Leases in Default or Classified as Uncollectible

Complete as many entries as needed to report all leases in default or classified as uncollectible. Check box (a) if lessor or lessee is known to be a party in interest. Attach Overdue Lease Explanation for each lease listed. (See instructions)

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)
☐			

(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)
☐			

(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)
☐			

(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)
☐			

(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)
☐			

(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)
☐			

(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

Part III Nonexempt Transactions

Complete as many entries as needed to report all nonexempt transactions. **Caution:** If a nonexempt prohibited transaction occurred with respect to a disqualified person, file Form 5330 with the IRS to pay the excise tax on the transaction.

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
LOCKHEED MARTIN CORPORATION	EMPLOYER, PLAN SPONSOR/ADMIN	INCORRECT TRUST CHARGING OF TRAVEL EXPENSES	

(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction
		163			

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
LOCKHEED MARTIN CORPORATION	EMPLOYER, PLAN SPONSOR/ADMIN	INCORRECT TRUST CHARGING OF FICA TAXES FOR NONQUALIFIED PENSION PLANS	

(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction
		2883			

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price

(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price

(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price

(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price

(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction

SCHEDULE H (Form 5500)

Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 12/25/2016 and ending 12/24/2017

A Name of plan
LOCKHEED MARTIN ENGINEERING AND SCIENCES RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 016

C Plan sponsor's name as shown on line 2a of Form 5500
LOCKHEED MARTIN CORPORATION

D Employer Identification Number (EIN)
52-1893632

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	0	8442743
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	69240113	77559215
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	69240113	86001958
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h	58383	85826
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	58383	85826
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	69181730	85916132

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)		
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		0
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		8909722
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		8909722
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	532237	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		532237
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	15320	
(2) Contract administrator fees	2i(2)	7619	
(3) Investment advisory and management fees	2i(3)	62887	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		85826
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		618063
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		8291659
l Transfers of assets:			
(1) To this plan	2l(1)		8442743
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MITCHELL & TITUS, LLP **(2)** EIN: 13-2781641

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d	X		3046
e	Was this plan covered by a fidelity bond?	4e	X		100000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	4n			
o	Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4068271 . (See instructions.)

Part V Trust Information

6a Name of trust	**6b** Trust's EIN

6c Name of trustee or custodian	**6d** Trustee's or custodian's telephone number

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2016

This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning 12/25/2016 and ending 12/24/2017

A Name of plan
LOCKHEED MARTIN ENGINEERING AND SCIENCES RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 016

C Plan sponsor's name as shown on line 2a of Form 5500
LOCKHEED MARTIN CORPORATION

D Employer Identification Number (EIN)
52-1893632

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 22-3810641

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 9

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No

22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter _____/_____/_____ and the serial number _____.

22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter _____/_____/_____.

Lockheed Martin Engineering and Sciences Retirement Plan

Financial Statements as of December 31, 2017 and 2016,
and for the Year Ended December 31, 2017 and Supplemental Schedule, with Independent Auditor's Report

Lockheed Martin Engineering and Sciences Retirement Plan

Financial Statements and Supplemental Schedule

Year Ended December 31, 2017

Table of Contents

Independent Auditor's Report	1
Financial Statements:	
Statements of Net Assets Available for Benefits as of December 31, 2017 and 2016	3
Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2017	4
Notes to Financial Statements	5
Supplemental Schedule:	
Schedule G, Part III - Schedule of Non-Exempt Transactions	19

MITCHELL TITUS

INDEPENDENT AUDITOR'S REPORT

Plan Administrator
Lockheed Martin Engineering and Sciences Retirement Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Lockheed Martin Engineering and Sciences Retirement Plan, which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, and the related statement of changes in net assets available for benefits for the year ended December 31, 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by The Northern Trust Company, the trustee of the plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2017 and 2016 and for the year ended December 31, 2017, that the information provided to the plan administrator by the trustee is complete and accurate.

1818 N. Street, NW
Washington, DC 20036
T +1 202 293 7500
F +1 202 465 3149
mitchelltitus.com

MITCHELL TITUS

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matters

The supplemental schedule of nonexempt transactions for the year ended December 31, 2017 is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under Employee Retirement Income Security Act of 1974 (ERISA) and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under Employee Retirement Income Security Act of 1974.

Mitchell Titus, LLP

October 9, 2018

Lockheed Martin Engineering and Sciences Retirement Plan
Statements of Net Assets Available for Benefits
(in thousands)

	December 31, 2017	2016
Assets		
Investments:		
Interest in Master Trust	$ 77,559	$ 69,240
Transfer receivable	8,443	—
Total assets	86,002	69,240
Accrued expenses	86	58
Net assets available for benefits	$ 85,916	$ 69,182

The accompanying notes are an integral part of these financial statements.

Lockheed Martin Engineering and Sciences Retirement Plan
Statement of Changes in Net Assets Available for Benefits
(in thousands)

	Year Ended December 31, 2017
Net assets available for benefits at beginning of year	$ 69,182
Additions to net assets:	
Interest in net investment gain of Master Trust	11,347
Deductions from net assets:	
Benefit payments	533
Administrative expenses	2,523
Total deductions	3,056
Change in net assets	8,291
Transfer from other plan	8,443
Net assets available for benefits at end of year	$ 85,916

The accompanying notes are an integral part of these financial statements.

1. Description of the Plan

The following description of the Lockheed Martin Engineering and Sciences Retirement Plan (the Plan) provides only general information about the Plan's provisions. Participants should refer to the Plan document and Summary Plan Description for a more complete description of the Plan's provisions.

General

The Plan is a defined benefit plan covering certain hourly and salaried employees of the Lockheed Martin Engineering and Sciences Company, a subsidiary of Lockheed Martin Corporation (the Corporation), and has been amended from time to time. The Corporation is the Plan Sponsor and the Plan Administrator. Participation and benefit accruals in the Plan were frozen as of December 24, 1992 for salaried employees and as of December 24, 1994 for hourly employees. Additional interest continues to be applied toward the accrued benefits of former Lockheed Martin Account Balance Retirement Plan salaried participants only. Interest applied for the years ended December 31, 2017 and 2016 was at the rate of 0.89% and 0.76%, respectively.

Effective December 24, 2017, the Lockheed Martin Engineering and Sciences Company Retirement Plan for Certain Hourly Employees was merged with and into the Lockheed Martin Account Balance Retirement Plan, which was renamed the Lockheed Martin Engineering and Sciences Retirement Plan. This merger did not change the benefits, rights, features, or other substantive terms of either plan. Assets and liabilities for the years ended December 31, 2017 and 2016 reflect the combined Lockheed Martin Engineering and Sciences Retirement Plan subsequent to the merger, and the Lockheed Martin Account Balance Retirement Plan prior to the merger, respectively.

The assets of the Plan are held and invested on a commingled basis in the Lockheed Martin Corporation Master Retirement Trust (the Master Trust). The assets of the Master Trust are held by The Northern Trust Company (the Trustee), with the exception of certain assets that are not held under custody by the Trustee as described in Note 4.

Funding Policy

Funding for the Plan is determined in accordance with the Employee Retirement Income Security Act of 1974 (ERISA), as amended by the Pension Protection Act of 2006 (PPA) and consistent with U.S. Government Cost Accounting Standards (CAS). Contributions by the Corporation, if any, meet the ERISA minimum funding requirements. The Corporation has the right under the Plan to discontinue such contributions at any time and/or terminate the Plan. In the event of termination, the Plan's net assets are to be used first for the payment of retirement benefits that former employees or their beneficiaries have been receiving, and next for the payment of other vested benefits. If the net assets are not sufficient to pay all benefits, the net assets shall be paid to the most senior categories until a category cannot be paid in full, and remaining net assets shall be allocated pro rata to all the benefits in that category and not those of lower priority. However, in the event of termination of the Plan, the Pension Benefit Guaranty Corporation (PBGC) guarantees the payment of nonforfeitable retirement benefits subject to certain limitations prescribed by ERISA.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting. Certain amounts in the prior year have been reclassified to conform to the current year presentation.

Accumulated Plan Benefits

Accumulated plan benefits are those estimated future periodic payments that are attributable under the Plan's provisions for credited service by participants from their date of eligibility to the valuation date. Accumulated

plan benefits include benefits expected to be paid to (a) retired, terminated and disabled participants or their beneficiaries, and (b) present participants or their beneficiaries. Benefits for retired, terminated and disabled participants or their beneficiaries are based on each former participant's compensation during each year of credited service prior to his or her termination or retirement date. Accumulated plan benefits for active participants are based on each participant's compensation during each year of credited service preceding the valuation date. Benefits payable under all circumstances—retirement, death, disability and termination of employment—are included to the extent they are deemed attributable to employee service prior to the valuation date.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits. Actual results could differ from those estimates.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Risks and Uncertainties

The Plan, through the Master Trust, invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, currency, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

Plan contributions, if any, are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements. The U. S. Department of Labor is currently auditing the Plan. The audit is focused on the process for locating terminated vested participants over the age of 65 that have not commenced their benefit payments. Currently, we are unable to predict the outcome of this audit and cannot estimate a reasonably possible loss or range of loss.

Investment Valuation and Income Recognition

Investments in the Master Trust are reported at fair value. Fair value is the price that would have been received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities in the Master Trust are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Gains and losses on investments bought and sold as well as held during the year are included in interest in net investment gain (loss) of Master Trust on the Statement of Changes in Net Assets Available for Benefits.

Administrative Expenses

Direct administrative expenses are paid by the Master Trust and generally allocated to the Plan proportionally based on the Plan's interest in the Master Trust's net assets or directly if specifically related to the Plan. Other indirect administrative expenses are paid by the Corporation and are excluded from these financial statements. Expenses paid by the Plan are shown on the Statement of Changes in Net Assets Available for Benefits.

Recent Accounting Pronouncements

In February 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2017-06, which clarifies the presentation and disclosure requirements for an employee benefit plan's interest in a master trust. The new standard requires a plan's interests in master trust balances and activities to be presented on the face of the Plan's financial statements as a single line item for each interest in a master trust. The new standard also requires the disclosure of the master trust's investments by general type and the dollar amount of the plan's interest in each type; and the disclosure of the master trust's other assets and liabilities on a gross basis and the dollar amount of the plan's interest in each balance. An adoption of the new standard will eliminate the requirement to disclose the Plan's overall percentage interest in the trust and the health and welfare plans' requirement to disclose 401(h) investment account information, in which such information will be disclosed in the defined benefit plan. The standard is effective for the Plan beginning on January 1, 2019, with early adoption permitted. The Plan's management is currently evaluating the impact of the standard on the financial statements and related disclosures.

In August 2018, the FASB issued ASU 2018-13, Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement, which amends ASC 820, Fair Value Measurement. This ASU modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. The effective date is January 1, 2020, with early adoption permitted for the removed and modified disclosures and delayed adoption until the effective date for the new disclosures. The removed and modified disclosures will be adopted on a retrospective basis and the new disclosures will be adopted on a prospective basis. The adoption will not have a material effect on the Plan's financial statements.

Subsequent Events

The Plan has evaluated subsequent events through October 9, 2018, the date the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2017 that required recognition or disclosure in these financial statements.

3. Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is the amount that results from applying actuarial assumptions to the accumulated plan benefits earned by the participants to reflect the time value of money and the probability of payment between the valuation date and the expected date of payment.

The actuarial present value of accumulated plan benefits is as follows (in thousands):

	December 31, 2017	December 31, 2016
Vested benefits:		
Participants currently receiving payments	$ 9,654	$ 5,312
Participants not currently receiving payments	11,195	6,583
Total vested benefits	20,849	11,895
Non-vested benefits	16	—
Total actuarial present value of accumulated plan benefits	$ 20,865	$ 11,895

The significant actuarial assumptions used in the valuations were (a) life expectancy of participants (RP-2014 Total Dataset Adjusted to 2006 with Scale MP-2017 for 2017 and with Scale MP-2016 for 2016), (b) turnover based upon the termination experience of the Plan, (c) assumed retirement age probabilities based on the experience of the Plan resulting in an average retirement age of 63, and (d) an annual discount rate of 3.625% and 4.125% for 2017 and 2016, respectively. The discount rate assumption used to calculate the actuarial present value of accumulated plan benefits is adjusted annually to reflect current yields on long-term high-quality corporate bonds. This can result in significant year to year fluctuations in the valuations.

Changes in the actuarial present value of accumulated plan benefits are as follows (in thousands):

	Year Ended December 31, 2017
Actuarial present value of accumulated plan benefits at beginning of year	$ 11,895
Increase (decrease) during the year attributable to:	
Increase for interest due to the decrease in the discount period	476
Benefits paid	(533)
Benefits accumulated	2,064
Plan merger	6,514
Changes in actuarial assumptions	449
Net increase	8,970
Actuarial present value of accumulated plan benefits at end of year	$ 20,865

The changes in actuarial assumptions reflect the decrease in the discount rate and change in mortality table, which impacted the actuarial present value of accumulated plan benefits by $549,000 and ($100,000), respectively.

Effective December 24, 2017, the Lockheed Martin Engineering and Sciences Company Retirement Plan for Certain Hourly Employees was merged with and into the Lockheed Martin Account Balance Retirement Plan, which was renamed the Lockheed Martin Engineering and Sciences Retirement Plan. This merger did not change the benefits, rights, features, or other substantive terms of either plan. Assets and liabilities for the years ended December 31, 2017 and 2016 reflect the combined Lockheed Martin Engineering and Sciences Retirement Plan subsequent to the merger, and the Lockheed Martin Account Balance Retirement Plan prior to the merger, respectively.

The actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

4. Master Trust

General

The Plan's investments are held by the Master Trust, which was established for the investment of the Plan's assets and the assets of other defined benefit plans sponsored by the Corporation. The assets, realized and unrealized gains and losses, and investment income of the Master Trust are allocated among the participating plans included therein proportionally based on each plan's interest in the Master Trust's net assets. The Plan's interest in the Master Trust's net assets, excluding assets of the 401(h) account, as of December 31, 2017 and 2016 was approximately 0.26% and 0.22%, respectively.

The Master Trust owes direct reimbursements to the Corporation for certain expenses incurred by the Corporation and its subsidiaries in providing services to the Plan.

Other than the financial information in the following table, the reported total fair value by asset class as disclosed in the fair value of assets tables including investments held as of December 31, 2017 and 2016, and net appreciation in fair value of investments, interest income, and dividend income for the year ended December 31, 2017, was obtained or derived from information certified as complete and accurate by The Northern Trust Company, the Trustee of the Master Trust.

The following financial information was not certified by the Trustee, as the net assets are not held in custody by the Trustee (in thousands):

	December 31, 2017	December 31, 2016
Assets		
Cash and cash equivalents and short term investment fund	$ 1,619,460	$ 2,058,720
Common and preferred stocks	639,175	275,428
Registered investment companies	(49,968)	(88,773)
Corporate debt securities	876,423	773,575
U.S. Government securities	290,195	324,945
Other investments	484,536	371,987
Hedge funds	—	110,032
Commodities	1,202	884
Total assets	3,861,023	3,826,798
Liabilities		
Payables, net	124,901	184,123
Total net assets	$ 3,736,122	$ 3,642,675

	Year Ended December 31, 2017
Investment income not certified by the custodian	
Interest and dividend income	$ 71,165
Net appreciation in fair value of investments	$ 155,396

Fair Value of Assets

The accounting standard for fair value measurements defines fair value, establishes a market-based framework or hierarchy for measuring fair value, and requires disclosures regarding fair value measurements. The standard is applicable whenever assets and liabilities are measured and included in the financial statements at fair value.

The fair value hierarchy established in the standard prioritizes the inputs used in valuation techniques into three levels as follows:

- Level 1 – Quoted prices in active markets for identical assets and liabilities;
- Level 2 – Observable inputs, other than Level 1 prices, such as quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets, and amounts derived from valuation models where all significant inputs are observable in active markets; and
- Level 3 – Unobservable inputs where valuation models are supported by little or no market activity that one or more significant inputs are unobservable and require us to develop relevant assumptions.

Certain other investments are measured at fair value using their NAV per share and do not have readily determined values and are thus not subject to leveling in the fair value hierarchy. The NAV is the total value of the fund divided by the number of shares outstanding.

The following table presents the fair value of the assets in the Master Trust by asset category and their level within the fair value hierarchy as of December 31, 2017 (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents and short term investment fund	$ 1,432,333	$ —	$ —	$ 1,432,333
Common and preferred stocks	10,168,482	25,230	2,640	10,196,352
Registered investment companies	1,278,509	—	—	1,278,509
Common collective trusts	—	3,036,408	—	3,036,408
Corporate debt securities	—	5,015,312	4,907	5,020,219
U.S. Government securities [a]	—	4,595,189	—	4,595,189
Other investments [b]	13,018	1,769,776	5,160	1,787,954
Commodities	1,289	910	—	2,199
Total investment assets at fair value	$ 12,893,631	$ 14,442,825	$ 12,707	$ 27,349,163
Investments measured at NAV [c]:				
Common collective trusts				55,429
Registered investment companies				56,261
Other investments [b]				68,539
Private equity funds				4,123,416
Real estate funds				1,756,487
Hedge funds				716,973
Total investment assets at NAV				$ 6,777,105
Receivables, net				62,704
Total net assets				$ 34,188,972

Interest and dividend income earned by the Master Trust for the year ended December 31, 2017 was $270,718,000 and $299,178,000, respectively. Other income for the year ended December 31, 2017 was $367,985,000. The net appreciation for the year ended December 31, 2017 was $3,265,890,000.

The following table presents the fair value of the assets in the Master Trust by asset category and their level within the fair value hierarchy as of December 31, 2016 (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents and short term investment fund	$ 2,210,817	$ —	$ —	$ 2,210,817
Common and preferred stocks	7,804,993	55,275	4,886	7,865,154
Registered investment companies[(d)]	690,420	—	—	690,420
Common collective trusts	—	1,466,814	—	1,466,814
Corporate debt securities	—	4,637,628	15,279	4,652,907
U.S. Government securities[(a)]	—	7,705,473	—	7,705,473
Other investments[(b)]	28,147	1,661,245	3,720	1,693,112
Hedge funds	—	110,032	—	110,032
Commodities	525,518	(2,093)	—	523,425
Total investment assets at fair value	$ 11,259,895	$ 15,634,374	$ 23,885	$ 26,918,154
Investments measured at NAV [(c)]:				
Common collective trusts				45,718
Registered investment companies				25,091
Private equity funds				3,627,328
Real estate funds				1,402,421
Hedge funds				472,573
Total investment assets at NAV				$ 5,573,131
Receivables, net				57,686
Total net assets				$ 32,548,971

The following table presents the changes in the fair value of Master Trust's Level 3 assets for the year ended December 31, 2017 (in thousands):

	Balance, beginning of year	Realized gains/ (losses)	Unrealized gains/ (losses)	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance, end of year
Common and preferred stocks	$ 4,886	$ 193	$ 662	$ 498	$ (3,263)	$ (336)	$ —	$ —	$ 2,640
Corporate debt securities	15,279	(503)	(191)	—	(2,527)	(7,588)	437	—	4,907
Other investments [(b)]	3,720	(576)	706	5,100	(3,787)	(3)	—	—	5,160
Total	$ 23,885	$ (886)	$ 1,177	$ 5,598	$ (9,577)	$ (7,927)	$ 437	$ —	$12,707

(a) Includes U.S. Government-sponsored enterprise securities.

(b) Includes collateralized mortgage obligations, municipals, asset-backed securities, inflation index linked bonds, foreign government securities, swaps, warrants, group annuity contracts, repurchase agreements, depository receipts, and venture capital.

(c) Certain investments that are valued using the NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy and are included below the table to permit reconciliation of the fair value hierarchy to the aggregate postretirement benefit plan assets.

(d) The Corporation reclassified $355,235,000 of registered investment companies to other investments for 2016 based on the valuation techniques used to value the assets. This 2016 reclassification was due to management's re-evaluation of the nature of the investments and does not impact the 2016 financial statements or the total plan assets previously reported rather just the presentation of the components of total Master Trust account assets in the table above.

The Master Trust recognizes transfers between levels of the fair value hierarchy as of the date of the change in circumstances that causes the transfer.

Valuation Techniques

Cash and cash equivalents and short term investment fund (STIF) investments are mostly comprised of cash and short-term money-market instruments and are valued at cost, which approximates fair value.

Common and preferred stock securities categorized as Level 1 are traded on active national and international exchanges and are valued at their closing prices on the last trading day of the year. For common and preferred stock securities not traded on an active exchange, or if the closing price is not available, the Trustee obtains indicative quotes from a pricing vendor, broker, or investment manager. These securities are generally categorized as Level 2 if the custodian obtains corroborated quotes from a pricing vendor or generally categorized as Level 3 if the custodian obtains uncorroborated quotes from a broker or investment manager.

Common collective trusts are investment vehicles valued using the NAV provided by the fund managers. The NAV is the total value of the fund divided by the number of shares outstanding. Common collective trusts are categorized as Level 2 if the NAV is corroborated by observable market data (e.g., purchases or sales activity), or not categorized in a level of fair value hierarchy (excluded from the fair value table) where certain liquidity provisions apply and the NAV is deemed a practical expedient with regards to valuation. Funds may be redeemed daily, monthly, or annually, depending upon notification requirements, liquidity, and other matters. Certain funds may require notification of management's intent to redeem at least one to 90 days in advance of exercising management's redemption right.

Registered investment company securities categorized as Level 1 are traded on active national and international exchanges and are generally valued at their closing prices on the last trading day of the year. In the cases where the valuation is based on NAV at the close of the year, these represent open-ended mutual funds valued by multiple pricing sources. For those securities not categorized in within a level of fair value hierarchy, the Corporation cannot fully redeem the investment in the near-term and NAV as a practical expedient is deemed to apply to those assets.

Corporate debt instruments and U.S. Government securities categorized as Level 2 are valued by the Trustee using pricing models that use verifiable observable market data (e.g., interest rates and yield curves observable at commonly quoted intervals and credit spreads), bids provided by brokers or dealers, or quoted prices of securities with similar characteristics. Corporate debt instruments are categorized at Level 3 when valuations using observable inputs are unavailable. The Trustee obtains pricing based on indicative quotes or bid evaluations from vendors, brokers, or the investment manager.

Other investments consist of securities such as derivatives and fixed income securities not classified as corporate debt instruments or U.S. Government securities. Level 1 securities are comprised of derivative securities traded on national and international exchanges. Level 2 securities are mainly comprised of over-the-counter (OTC) derivatives and fixed income investments valued by the Trustee using pricing models that

use verifiable observable market data (e.g., interest rates and yield curves observable at commonly quoted intervals and credit spreads), bids provided by brokers or dealers, or quoted prices of securities with similar characteristics. Other investments are categorized at Level 3 when valuations using observable inputs are unavailable. The Trustee obtains pricing based on bid evaluations from vendors or the investment manager. For those securities not categorized within a level of fair value hierarchy, the Corporation cannot fully redeem the investment in the near-term and NAV as a practical expedient is deemed to apply to those assets.

Commodities categorized as Level 1 are traded on an active commodity exchange and are valued at their closing prices on the last trading day of the year. Commodities categorized as Level 2 represent OTC derivative instruments using observable inputs other than quoted prices in active markets.

Private equity funds, real estate funds, and hedge funds are valued using the NAV based on the valuation models of underlying securities which generally include significant unobservable inputs that cannot be corroborated using verifiable observable market data. Valuations for private equity funds and real estate funds are determined by the general partners. Depending on the nature of the assets, the general partners may use various valuation methodologies, including the income and market approaches in their models. The market approach consists of analyzing market transactions for comparable assets while the income approach uses earnings or the net present value of estimated future cash flows adjusted for liquidity and other risk factors. Hedge funds are valued by independent administrators using various pricing sources and models based on the nature of the securities. Private equity funds, real estate funds, and hedge funds are generally not categorized in a level of fair value hierarchy as the Corporation cannot fully redeem the investment in the near-term and NAV as a practical expedient is deemed to apply to those assets. Hedge funds categorized as Level 2 contain liquidity provisions which allow proceeds from redemptions / liquidations in the near term.

Private equity funds consist of investments held primarily by limited partnerships in various strategies, including venture capital, corporate finance, opportunistic, and distressed. The term of each private equity fund is generally 10 years, and the fund's investors do not have the right to redeem their investment at its NAV. Instead, the investors receive distributions as the underlying assets of the fund are liquidated. Real estate funds consist of investments in U.S. and international commercial real estate held primarily by limited partnerships. The term of each real estate fund is generally 10 years, and the real estate fund's investors do not have the right to redeem their investment at its NAV. Instead, the investors receive distributions as the underlying assets of the fund are liquidated. Unfunded capital commitments related to the Master Trust's investment in private equity and real estate funds as of December 31, 2017 and 2016 totaled $3,556,961,000 and $3,186,365,000, respectively. Hedge fund investments are made through commingled fund vehicles and depending on the hedge fund, redemptions can be monthly or annually. The redemption notice period, depending on the hedge fund, is typically 45 to 180 days in advance.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In estimating the fair value of the investments not in a level of fair value hierarchy, management may use third-party pricing sources or appraisers. In substantiating the reasonableness of the pricing data provided by third parties, management evaluates a variety of factors including review of methods and assumptions used by external sources, recently executed transactions, existing contracts, economic conditions, industry and market developments, and overall credit ratings.

Derivative Instruments

Derivative instruments are used in the Master Trust to achieve certain portfolio objectives and to adjust asset allocation in order to manage market risk. Derivative instruments allow internal and external investment managers to achieve these goals efficiently while maintaining appropriate liquidity.

At December 31, 2017 and 2016, the Master Trust utilized four types of derivative instruments:

Futures Contracts – The purchase of futures contracts allows the Master Trust to achieve desired portfolio positions in various commodities without the need to physically own and store them. Futures are used to manage the overall risk to equity and fixed income markets. Foreign exchange futures are used to separate the management of currency exposure from foreign equity exposure. Futures contracts are exchange-traded with initial margin required from both parties and daily settlement of gains and losses; therefore credit and counterparty risks are minimal, and futures contracts have no net market value.

Forward Contracts – Forward contracts are similar to futures contracts except that they are traded over-the-counter rather than over a standardized exchange. Foreign exchange forwards are used by investment managers as another means of separating currency risk from investment risk. These contracts allow a manager to lock into a rate at which to exchange an upcoming settlement in a foreign currency into U.S. dollars. Commodity forward contracts are used by investment managers to achieve desired portfolio positions in various commodities. While forward contracts are traded over-the-counter, they are generally very short-term which minimizes counterparty risk.

Options, including Options on Futures – These contracts allow the holder to buy or sell a security or a futures contract at a specified price prior to an expiration date. Options are primarily used to protect against downside risk in an equity, commodity or currency position held by the Master Trust.

Swaps – Swaps are over-the-counter agreements between counterparties to exchange the return stream of one security for another. Swaps are utilized either to provide exposure to a security for which there is no available futures contract, or to achieve an exposure over a specific time horizon.

A long derivative position increases (decreases) in value when the price of the underlying asset (e.g., currency, equity index) increases (decreases). A short derivative position increases (decreases) when the price of the underlying asset decreases (increases).

The notional amounts and fair values of derivative instruments as of December 31, 2017 and 2016 are presented below (in thousands):

	December 31, 2017		December 31, 2016	
	Notional Amount	Amount included in Fair Value of Assets	Notional Amount	Amount included in Fair Value of Assets
Equity Securities				
Futures Contracts (Long)	$ 839,354	$ —	$ 1,382,025	$ —
Futures Contracts (Short)	(105,296)	—	(976,762)	—
Equity Options (Long)	372,666	9,880	575,368	12,740
Equity Options (Short)	(356,986)	(9,924)	(371,924)	(3,929)
Swaps	1,144,927	23,902	287,431	(863)
Fixed Income Securities				
Futures Contracts (Long)	2,517,679	—	1,387,886	—
Futures Contracts (Short)	(5,780,584)	—	(7,185,620)	—
Fixed Income Options (Long)	11,799,313	20,007	5,105,467	7,954
Fixed Income Options (Short)	(15,334,342)	(12,804)	(5,059,730)	(31,863)
Forward Contracts	284,555	(102)	—	—
Swaps	2,176,999	37,995	3,126,204	11,472
Commodities				
Futures Contracts (Long)	2,408,220	—	3,508,402	—
Futures Contracts (Short)	(660,612)	—	(863,298)	—
Commodity Options (Long)	689,865	3,668	166,374	3,346
Commodity Options (Short)	(570,858)	(2,435)	(120,803)	(2,413)
Forward Contracts	2,243	481	5,963	(392)
Swaps	(1,974)	(169)	8,398	(1,701)
Foreign Exchange				
Futures Contracts (Long)	281,832	—	359,150	—
Futures Contracts (Short)	(74,004)	—	(97,137)	—
FX Options (Long)	(43,796)	3,498	73,872	11,544
FX Options (Short)	58,226	(4,116)	221,214	(4,969)
Forward Contracts	712,175	(16,393)	2,942,643	94,134
Swaps	3,583,011	(88,586)	2,021,435	308,389
Total	$ 3,942,613	$ (35,098)	$ 6,496,558	$ 403,449

Offsetting and Netting of Assets and Liabilities

The Master Trust is subject to master netting agreements with certain counterparties. These agreements govern the terms of certain transactions and reduce the counterparty risk associated with the relevant transactions by permitting the Master Trust to net certain amounts due from the Plan to a counterparty against amounts due to the Plan from the same counterparty under certain conditions.

As of December 31, 2017, information related to the potential effect of the Master Trust's master netting agreements was as follows (in thousands):

Derivative Assets	Gross Recognized Assets	Gross Amounts Offset	Net Amounts Presented	Net Collateral Received	Net Exposure
Exchange Cleared Interest Rate / Credit	$ 11,187	$ 918	$ 10,269	$ —	$ 10,269
Exchange Traded Commodities	3,827	268	3,559	—	3,559
Exchange Traded Equities	3,746	170	3,576	12	3,564
Exchange Traded Foreign Exchange	—	—	—	—	—
Exchange Traded Interest Rate / Credit	5,777	4,113	1,664	—	1,664
OTC Commodities	1,120	132	988	790	198
OTC Equities	30,010	11,357	18,653	16,696	1,957
OTC Foreign Exchange	131,532	87,921	43,611	30,153	13,458
OTC Interest Rate / Credit	82,852	23,808	59,044	16,089	42,955
Total Derivatives	**$ 270,051**	**$ 128,687**	**$ 141,364**	**$ 63,740**	**$ 77,624**
Repurchase Agreements	1,020,689	505,781	514,908	474,060	40,848
Securities on Loan	855,086	—	855,086	855,086	—

Derivative Liabilities	Gross Recognized Liabilities	Gross Amounts Offset	Net Amounts Presented	Net Collateral Pledged	Net Exposure
Exchange Cleared Interest Rate / Credit	$ 13,560	$ 918	$ 12,642	$ —	$ 12,642
Exchange Traded Commodities	2,466	268	2,198	—	2,198
Exchange Traded Equities	1,294	170	1,124	—	1,124
Exchange Traded Foreign Exchange	—	—	—	—	—
Exchange Traded Interest Rate / Credit	4,268	4,113	155	—	155
OTC Commodities	210	132	78	78	—
OTC Equities	16,508	11,357	5,151	861	4,290
OTC Foreign Exchange	237,507	87,921	149,586	136,690	12,896
OTC Interest Rate / Credit	36,363	23,808	12,555	8,554	4,001
Total Derivatives	**$ 312,176**	**$ 128,687**	**$ 183,489**	**$ 146,183**	**$ 37,306**
Repurchase Agreements	525,778	505,781	19,997	—	19,997
Securities on Loan	—	—	—	—	—

As of December 31, 2016, information related to the potential effect of the Master Trust's master netting agreements was as follows (in thousands):

Derivative Assets	Gross Recognized Assets	Gross Amounts Offset	Net Amounts Presented	Net Collateral Received	Net Exposure
Exchange Cleared Interest Rate / Credit	$ 26,387	$ 23,082	$ 3,305	$ —	$ 3,305
Exchange Traded Commodities	3,774	1,657	2,117	—	2,117
Exchange Traded Equities	10,244	783	9,461	—	9,461
Exchange Traded Interest Rate / Credit	3,576	2,922	654	—	654
OTC Commodities	295	151	144	—	144
OTC Equities	2,849	723	2,126	1,691	435
OTC Foreign Exchange	520,214	99,899	420,315	217,767	202,548
OTC Interest Rate / Credit	37,220	29,923	7,297	1,589	5,708
Total Derivatives	**$ 604,559**	**$ 159,140**	**$ 445,419**	**$ 221,047**	**$ 224,372**
Repurchase Agreements	670,875	179,845	491,030	352,036	138,994
Securities on Loan	793,897	—	793,897	793,897	—

Derivative Liabilities	Gross Recognized Liabilities	Gross Amounts Offset	Net Amounts Presented	Net Collateral Pledged	Net Exposure
Exchange Cleared Interest Rate / Credit	$ 31,902	$ 23,082	$ 8,820	$ 8,820	$ —
Exchange Traded Commodities	2,841	1,657	1,184	—	1,184
Exchange Traded Equities	2,606	783	1,823	—	1,823
Exchange Traded Interest Rate / Credit	4,146	2,922	1,224	—	1,224
OTC Commodities	2,388	151	2,237	1,961	276
OTC Equities	2,189	723	1,466	—	1,466
OTC Foreign Exchange	111,116	99,899	11,217	580	10,637
OTC Interest Rate / Credit	70,056	29,923	40,133	9,322	30,811
Total Derivatives	**$ 227,244**	**$ 159,140**	**$ 68,104**	**$ 20,683**	**$ 47,421**
Repurchase Agreements	275,114	179,845	95,269	—	95,269
Securities on Loan	—	—	—	—	—

Collateralized Transactions

The Master Trust enters into reverse repurchase agreements as well as securities lending and borrowing agreements to generate additional income and earnings. Reverse repurchase agreements are transactions in which the Master Trust lends cash to borrow financial instruments from another firm and simultaneously enters into an agreement to resell the same financial instruments at a higher price in the future. Securities lending agreements are transactions in which the Master Trust lends securities to another firm, in exchange for collateral which is returned upon the conclusion of the loan, with interest received by the Master Trust over the life of the transaction. The collateral requires 102% of the fair value of U.S. securities borrowed and 105% for non-U.S. securities borrowed. The collateral is marked to market on a daily basis. In the event the counterparty is unable to meet its contractual obligation under the securities lending arrangement, the Master Trust may incur losses equal to the amount by which the market value of the securities differ from the amount of collateral held. The Master Trust mitigates credit risk associated with securities lending arrangements by monitoring the fair value of the securities loaned on a daily basis, with additional collateral obtained or refunded as necessary. Securities borrowing agreements are transactions in which the Master Trust borrows securities from another firm, typically in connection with a short sale, in exchange for collateral which is returned upon the conclusion of the transaction.

At December 31, 2017 and 2016, the fair value of securities on loan was $860,000,000 and $790,000,000, the fair value of securities borrowed was $1,523,000,000 and $1,317,000,000, and the fair value for reverse repurchase agreements was $20,000,000 and $67,000,000. Collateral pledged for securities on loan is not held in the Master Trust, and cannot be sold, repledged, or traded.

Securities lending and borrowing and reverse repurchase agreement income earned by the Master Trust is recorded on an accrual basis and was approximately $5,000,000 and $7,000,000, respectively for the year ended December 31, 2017 and 2016.

5. Parties-in-Interest Transactions

The Master Trust invests in funds managed by The Northern Trust Company, the Trustee. Investments in these funds qualify as party-in-interest transactions for which a statutory exemption from the prohibited transaction regulation exists.

6. Income Tax Status

The Internal Revenue Service (IRS) has determined and informed the Corporation by letter dated March 20, 2014, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC) and, therefore, the related trust is exempt from taxation. Under current IRS determination letter procedures, there is no opportunity for the Plan to obtain a more recent letter from the IRS. The Plan has been amended since issuance of the determination letter. However, the Plan Administrator and the Corporation's counsel believe that the current design and operations of the Plan are in compliance with the applicable provisions of the IRC and, therefore, believe the Plan, as amended, is qualified and the related trust is tax exempt.

GAAP requires plan management to evaluate tax positions taken by the Plan to determine whether the Plan has taken any uncertain positions that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or asset, or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions, but no tax audits are in progress. The Plan Administrator believes the Plan is no longer subject to income tax examinations for years prior to 2014.

7. Reconciliation of Financial Statements to Form 5500

Interest in net investment gain of Master Trust reported in the financial statements is $2,437,000 greater than the amount reported on Form 5500 for the year ended December 31, 2017. Administrative expenses reported in the financial statements are $2,437,000 greater than the amount reported on Form 5500 for the year ended December 31, 2017. These differences arose from the classification of certain administrative expenses which are included in the net investment gain in the Master Trust for Form 5500 reporting purposes.

Lockheed Martin Engineering and Sciences Retirement Plan

Employer Identification Number 52-1893632, Plan Number 016

Schedule G, Part III - Schedule of Non-Exempt Transactions

Year Ended December 31, 2017

(a) Identity of party involved	(b) Relationship to plan, employer, or other party in interest	(c) Description of transactions, including maturity date, rate of interest, collateral, and par or maturity value	(d) Purchase price	(e) Selling price	(f) Lease rental	(g) Expenses incurred in connection with transaction	(h) Cost of asset	(i) Current value of asset	(j) Net gain or (loss) on each transaction
Lockheed Martin Corporation	Employer, Plan Sponsor/ Admin	Incorrect trust charging of travel expenses	$ -	$ -	$ -	$ 163	$ -	$ -	$ -
Lockheed Martin Corporation	Employer, Plan Sponsor/ Admin	Incorrect trust charging of FICA taxes for nonqualified pension plans	$ -	$ -	$ -	$ 2,883	$ -	$ -	$ -

Number of Active Participants as of December 25, 2016 – Distribution by Age and Service

Active participant counts and average compensation are shown below. Compensation reflects year 2015 applicable pensionable earnings. For cells with less than 20 participants, average compensation has been omitted.

	Years of Credited Service										
Age	<1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
<25											
25 to 29											
30 to 34											
35 to 39											
40 to 44											
45 to 49											
50 to 54							1	1			2
55 to 59							1				1
60 to 64							1				1
65 to 69											
70 & up							1		1		2
Total							4	1	1		6

Prudential

Under the Actuarial Methods described below, if all current assumptions remain constant and are realized, funding at least the Minimum Required Contribution each year will eventually accumulate sufficient plan assets to cover the Funding Target. Future widening of the interest rate stabilization corridor may extend the time period for the plan to become fully funded.

Cost Method

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described under "Actuarial Assumptions" of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year plus an estimate of the expenses to be paid from plan assets during the plan year.

Funding Target and Funding Shortfall

The Funding Target is the present value of benefits accrued as of the beginning of the plan year and the Funding Shortfall is the excess of the Funding Target over the Actuarial Value of Assets (reduced by the Credit Balance). The initial Funding Shortfall is amortized over seven years.

In subsequent years, the Funding Shortfall less the present value of prior year amortization installments is amortized over seven years, and added to any prior year amortization installments.

Segment rates are adjusted as necessary to fall within the specified corridor of the corresponding 25-year average of segment rates for the period ending September 30 of the calendar year preceding the first day of the plan year. The specified corridor is:

Plan Year	Corridor
Through 2020	90% - 110%
2021	85% - 115%
2022	80% - 120%
2023	75% - 125%
2024 and later	70% - 130%

The adjustments to fall within the specified corridor of the 25-year average of segment rates apply for determining the minimum required contribution and related funded percentages. They do not apply for determining the maximum tax deductible contribution or certain other situations.

Sponsor Elections

Discount Rate: Segment rates, with a 3-month lookback

Mortality Table: Prescribed IRS Static Mortality Table – Separate

At-Risk Determination

The At-Risk Funding Target is determined by assuming that participants eligible to retire in the current plan year and next 10 plan years retire at the earliest possible date, but not before the end of the plan year. All participants are assumed to elect the optional form resulting in the highest possible present value.

A load is added to the At-Risk Funding Target and At-Risk Target Normal Cost when a plan is At-Risk in at least two years during the preceding four years. The load increases the At-Risk Funding Target by 4% of the Not At-Risk Funding Target plus $700 per participant, and increases the At-Risk Target Normal Cost by 4% of the Not At-Risk Target Normal Cost.

The Funding Target and Target Normal Cost are calculated by multiplying the Not At-Risk values by 100% minus the Phase-In Percentage, plus the At-Risk values multiplied by the Phase-In Percentage.

Credit Balance

The Credit Balance consists of the Carryover Balance from excess contributions prior to the Pension Protection Act (PPA) of 2006, plus the Prefunding Balance from elected excess contributions after the PPA. Balances accumulate with interest and are reduced for amounts applied towards the Minimum Required Contribution, voluntary waivers by the plan sponsor, and compelled waivers to avoid benefit restrictions. The Actuarial Value of Assets is reduced by the Credit Balance to determine certain funded percentages and to determine the Funding Shortfall.

Asset Valuation Method

The Actuarial Value of Assets is determined using an annual average of the adjusted Fair Market Value of Assets with the earliest determination 24 months prior to the valuation date. The Fair Market Value of Assets in prior years is adjusted for contributions, benefit payments, expenses and expected earnings (not to exceed the third segment rate).

This is equivalent to the Fair Market Value of Assets, plus two-thirds of the (gain)/loss from the prior year, plus one-third of the (gain)/loss from the second preceding year. The (gain)/loss in each year is the difference between the expected and actual returns on the Fair Market Value of Assets.

The Actuarial Value of Assets is adjusted to be no less than 90% or no more than 110% of the Fair Market Value of Assets, as required by IRC Section 430(g)(3)(B)(iii).

Since the expected earnings assumption cannot exceed the third segment rate, over time, the method may produce an Actuarial Value of Assets slightly below the Fair Market Value of Assets.

The Actuarial Value of Assets for determining the Maximum Tax Deductible Contribution reflects interest rate stabilization rates for discounting contributions and limiting expected earnings.

Below are the actuarial assumptions as of December 25, 2016.

Discount Rate	With Interest Rate Stabilization	Without Interest Rate Stabilization
Effective Rate	5.89%	3.83%
First Segment – First 5 Years	4.43%	1.52%
Second Segment – Next 15 Years	5.91%	3.80%
Third Segment – After 20 Years	6.65%	4.79%

Mortality The IRS 2016 Static Mortality Table - Separate

Investment Return 7.50% per annum, compounded annually

Termination The probabilities that participants at the ages indicated will terminate within the following year are shown in Table A.

Salary Scale n/a

Covered Compensation n/a

Estimated Expenses $72,191

Retirement

Active Participants

Retirement from active service occurs based on the following set of retirement age rates.

Age	Rate
55	6.0%
56-58	4.0%
59	3.0%
60	20.0%
61	10.0%
62	15.0%
63-64	12.0%
65	30.0%
66-69	20.0%
70	30.0%
71+	100.0%

The weighted average retirement age is 62.9.

Terminated Vested Participants

Age 65

Form of Payment

Lump sum for actives and active transfers; life annuity for terminated vesteds.

Interest Credit

3.75%

Survivor's Benefit

It is assumed that husbands are three years older than wives and that 80% of the male Participants and 80% of the female Participants who are or will become eligible for coverage under the Spouse's Benefit will be survived by an eligible Spouse.

TABLE A

ANNUAL RATES OF TERMINATION

Age	Unisex Rate
20	10.0%
21	10.0%
22	10.0%
23	10.0%
24	10.0%
25	10.0%
26	10.0%
27	10.0%
28	10.0%
29	9.0%
30	8.0%
31	7.0%
32	6.0%
33	5.5%
34	5.0%
35	4.5%
36	4.2%
37	4.0%
38	3.8%
39	3.6%
40	3.4%
41	3.2%
42	3.0%
43	2.8%
44	2.6%
45	2.5%
46	2.5%
47	2.5%
48	2.5%
49	2.5%
50	2.5%
51	2.5%
52	2.5%
53	2.5%
54	2.5%
55 & over	0.0%

Prudential

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	2016 This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 12/25/2016 and ending 12/24/2017

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Lockheed Martin Engineering and Sciences Retirement Plan	**B** Three-digit plan number (PN) ▶ 016
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Lockheed Martin Corporation	**D** Employer Identification Number (EIN) 52-1893632

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 12 Day 25 Year 2016

2 Assets:

a Market value	2a	69,240,112
b Actuarial value	2b	71,785,957

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	179	5,321,804	5,321,804
b For terminated vested participants	291	6,456,855	6,456,855
c For active participants	6	75,178	75,178
d Total	476	11,853,837	11,853,837

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	5.89 %
6 Target normal cost	6	72,191

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Jeffrey K. Martin JKM	10/8/2018
	Signature of actuary	Date
Jeffrey K. Martin, F.S.A., E.A.		17-04379
Type or print name of actuary		Most recent enrollment number
PRIAC		(860)534-2435
Firm name		Telephone number (including area code)
280 Trumbull Street Hartford CT 06103-2975		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 5.31%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.08%		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	605.59%
15	Adjusted funding target attainment percentage	15	605.59%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	696.95%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.43 %	5.91 %	6.65 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	3
22 Weighted average retirement age	**22**	63

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):		
a Target normal cost (line 6)	**31a**	72,191
b Excess assets, if applicable, but not greater than line 31a	**31b**	72,191

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	0

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	0
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

SB Actuary Signature
Lockheed Martin
Engineering and Sciences Retirement Plan
52-1893632/016
12/25/2016
Line 22 – Description of Weighted Average Retirement Age

A	B	C	D	
Retirement Age	**Population**	**Retirement Rate**	**Number Retiring**	**A * D**
55	100.00	6%	6.00	330.00
56	94.00	4%	3.76	210.56
57	90.24	4%	3.61	205.75
58	86.63	4%	3.47	200.98
59	83.17	3%	2.49	147.20
60	80.67	20%	16.13	968.04
61	64.54	10%	6.45	393.67
62	58.08	15%	8.71	540.17
63	49.37	12%	5.92	373.24
64	43.45	12%	5.21	333.66
65	38.23	30%	11.47	745.53
66	26.76	20%	5.35	353.27
67	21.41	20%	4.28	286.89
68	17.13	20%	3.43	232.94
69	13.70	20%	2.74	189.09
70	10.96	30%	3.29	230.20
71	7.67	100%	7.67	544.81
				6,286.01

Average Ret Age 62.9

Under the Actuarial Methods described below, if all current assumptions remain constant and are realized, funding at least the Minimum Required Contribution each year will eventually accumulate sufficient plan assets to cover the Funding Target. Future widening of the interest rate stabilization corridor may extend the time period for the plan to become fully funded.

Cost Method

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described under "Actuarial Assumptions" of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year plus an estimate of the expenses to be paid from plan assets during the plan year.

Funding Target and Funding Shortfall

The Funding Target is the present value of benefits accrued as of the beginning of the plan year and the Funding Shortfall is the excess of the Funding Target over the Actuarial Value of Assets (reduced by the Credit Balance). The initial Funding Shortfall is amortized over seven years.

In subsequent years, the Funding Shortfall less the present value of prior year amortization installments is amortized over seven years, and added to any prior year amortization installments.

Segment rates are adjusted as necessary to fall within the specified corridor of the corresponding 25-year average of segment rates for the period ending September 30 of the calendar year preceding the first day of the plan year. The specified corridor is:

Plan Year	Corridor
Through 2020	90% - 110%
2021	85% - 115%
2022	80% - 120%
2023	75% - 125%
2024 and later	70% - 130%

The adjustments to fall within the specified corridor of the 25-year average of segment rates apply for determining the minimum required contribution and related funded percentages. They do not apply for determining the maximum tax deductible contribution or certain other situations.

Sponsor Elections

Discount Rate: Segment rates, with a 3-month lookback

Mortality Table: Prescribed IRS Static Mortality Table – Separate

At-Risk Determination

The At-Risk Funding Target is determined by assuming that participants eligible to retire in the current plan year and next 10 plan years retire at the earliest possible date, but not before the end of the plan year. All participants are assumed to elect the optional form resulting in the highest possible present value.

A load is added to the At-Risk Funding Target and At-Risk Target Normal Cost when a plan is At-Risk in at least two years during the preceding four years. The load increases the At-Risk Funding Target by 4% of the Not At-Risk Funding Target plus $700 per participant, and increases the At-Risk Target Normal Cost by 4% of the Not At-Risk Target Normal Cost.

The Funding Target and Target Normal Cost are calculated by multiplying the Not At-Risk values by 100% minus the Phase-In Percentage, plus the At-Risk values multiplied by the Phase-In Percentage.

Credit Balance

The Credit Balance consists of the Carryover Balance from excess contributions prior to the Pension Protection Act (PPA) of 2006, plus the Prefunding Balance from elected excess contributions after the PPA. Balances accumulate with interest and are reduced for amounts applied towards the Minimum Required Contribution, voluntary waivers by the plan sponsor, and compelled waivers to avoid benefit restrictions. The Actuarial Value of Assets is reduced by the Credit Balance to determine certain funded percentages and to determine the Funding Shortfall.

Asset Valuation Method

The Actuarial Value of Assets is determined using an annual average of the adjusted Fair Market Value of Assets with the earliest determination 24 months prior to the valuation date. The Fair Market Value of Assets in prior years is adjusted for contributions, benefit payments, expenses and expected earnings (not to exceed the third segment rate).

This is equivalent to the Fair Market Value of Assets, plus two-thirds of the (gain)/loss from the prior year, plus one-third of the (gain)/loss from the second preceding year. The (gain)/loss in each year is the difference between the expected and actual returns on the Fair Market Value of Assets.

The Actuarial Value of Assets is adjusted to be no less than 90% or no more than 110% of the Fair Market Value of Assets, as required by IRC Section 430(g)(3)(B)(iii).

Since the expected earnings assumption cannot exceed the third segment rate, over time, the method may produce an Actuarial Value of Assets slightly below the Fair Market Value of Assets.

The Actuarial Value of Assets for determining the Maximum Tax Deductible Contribution reflects interest rate stabilization rates for discounting contributions and limiting expected earnings.

Below are the actuarial assumptions as of December 25, 2016.

Discount Rate	With Interest Rate Stabilization	Without Interest Rate Stabilization
Effective Rate	5.89%	3.83%
First Segment – First 5 Years	4.43%	1.52%
Second Segment – Next 15 Years	5.91%	3.80%
Third Segment – After 20 Years	6.65%	4.79%

Mortality The IRS 2016 Static Mortality Table - Separate

Investment Return 7.50% per annum, compounded annually

Termination The probabilities that participants at the ages indicated will terminate within the following year are shown in Table A.

Salary Scale n/a

Covered Compensation n/a

Estimated Expenses $72,191

Retirement

Active Participants

Retirement from active service occurs based on the following set of retirement age rates.

Age	Rate
55	6.0%
56-58	4.0%
59	3.0%
60	20.0%
61	10.0%
62	15.0%
63-64	12.0%
65	30.0%
66-69	20.0%
70	30.0%
71+	100.0%

The weighted average retirement age is 62.9.

Terminated Vested Participants

Age 65

Form of Payment

Lump sum for actives and active transfers; life annuity for terminated vesteds.

Interest Credit

3.75%

Survivor's Benefit

It is assumed that husbands are three years older than wives and that 80% of the male Participants and 80% of the female Participants who are or will become eligible for coverage under the Spouse's Benefit will be survived by an eligible Spouse.

TABLE A

ANNUAL RATES OF TERMINATION

Age	Unisex Rate
20	10.0%
21	10.0%
22	10.0%
23	10.0%
24	10.0%
25	10.0%
26	10.0%
27	10.0%
28	10.0%
29	9.0%
30	8.0%
31	7.0%
32	6.0%
33	5.5%
34	5.0%
35	4.5%
36	4.2%
37	4.0%
38	3.8%
39	3.6%
40	3.4%
41	3.2%
42	3.0%
43	2.8%
44	2.6%
45	2.5%
46	2.5%
47	2.5%
48	2.5%
49	2.5%
50	2.5%
51	2.5%
52	2.5%
53	2.5%
54	2.5%
55 & over	0.0%

Normal Form of Annuity	Life Annuity.
Normal Retirement Date	The date the Participant attains age 65.
Participation Eligibility	Salaried Employees of LESC who have competed 2 years of service. Participants in Capital Accumulation Plan on the Effective Date are automatically eligible to participate. Participation in the plan was frozen December 25, 1992; therefore there have been no new active participants since that date.
Account Credits	Account Credits were discontinued as of December 25, 1992.
Interest Credits	Annual rate equal to the average of the 6-month Treasury Bill yields in each of the last four weekly reporting periods ending in December of the previous plan year, plus 25 basis points, expressed as an equivalent 1-year bond yield. Accounts are credited with interest at the end of each month.
Retirement Benefits From Prior Plan	Monthly benefits earned prior to 1981 under the Lockheed Retirement Plan for Certain Salaried Employees are transferred to this Plan, and are paid in accordance with provisions of the prior plan. Benefits are based on service to 12/24/80, but on final average earnings at termination or retirement date.

Income Payable

Amount described in section (a) or (b) below, whichever applies:

(a) If Participant is married as of his retirement date, income shall be paid on the basis of Joint and Survivor form, unless otherwise elected, as stipulated by ERISA, and will be the amount determined under the benefit formula multiplied by the appropriate factor.

(b) If Participant is not married as of his retirement date or elects to receive his income under the Normal Form, retirement income will be the amount determined under the benefit formula.

Early Eligibility

Attainment of age 55 and 10 years of Service.

Early Benefit Amount

An annual benefit payable prior to Normal Retirement, but on or after the Early Retirement Eligibility Date.

Actives and Terminated Vested

Benefits from the Account Balance plan are payable as an immediate lump sum upon termination or as an annuity determined by adjusting the Account Balance by the appropriate Immediate Annuity Conversion Factor.

Predecessor plan benefits are payable as a reduced immediate annuity according the provisions of the Lockheed Retirement Plan for Certain Salaried Employees as of March 31, 1999, or as a lump sum by adjusting the immediate annuity otherwise payable by the appropriate Immediate Annuity Conversion Factor.

Vesting Schedule

100% full and immediate vesting, regardless of age or service at termination.

Preretirement Spouse Benefit

A. *Eligibility*	Non-married participant or married for less than 1 year.
Benefit Formula	100% of Account Balance Benefit.
B. *Eligibility*	Participant married for at least 1 year.
Benefit Formula	100% of Account Balance Benefit plus 50% of the lump sum value of the Prior Plan Benefit.
Vested Benefit	The Account Balance and Prior Plan benefits are payable as lump sums, immediate annuities or deferred annuities.
Plan Freeze	As of December 31, 2015, all future pay is frozen. As of December 31, 2019, all future accruals are frozen.

Changes in Actuarial Assumptions

Effective with this valuation, the following non-prescribed assumption changes were recognized:

	Prior	Current
Expense Load	$60,652	$72,191
Investment Return	8.00%	7.50%

Number of Active Participants as of December 25, 2016 – Distribution by Age and Service

Active participant counts and average compensation are shown below. Compensation reflects year 2015 applicable pensionable earnings. For cells with less than 20 participants, average compensation has been omitted.

	Years of Credited Service										
Age	<1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
<25											
25 to 29											
30 to 34											
35 to 39											
40 to 44											
45 to 49											
50 to 54							1	1			2
55 to 59							1				1
60 to 64							1				1
65 to 69											
70 & up							1		1		2
Total							4	1	1		6

Lockheed Martin
Engineering and Sciences Retirement Plan
52-1893632/016
12/25/2016
Line 22 – Description of Weighted Average Retirement Age

A	B	C	D	
Retirement Age	**Population**	**Retirement Rate**	**Number Retiring**	**A * D**
55	100.00	6%	6.00	330.00
56	94.00	4%	3.76	210.56
57	90.24	4%	3.61	205.75
58	86.63	4%	3.47	200.98
59	83.17	3%	2.49	147.20
60	80.67	20%	16.13	968.04
61	64.54	10%	6.45	393.67
62	58.08	15%	8.71	540.17
63	49.37	12%	5.92	373.24
64	43.45	12%	5.21	333.66
65	38.23	30%	11.47	745.53
66	26.76	20%	5.35	353.27
67	21.41	20%	4.28	286.89
68	17.13	20%	3.43	232.94
69	13.70	20%	2.74	189.09
70	10.96	30%	3.29	230.20
71	7.67	100%	7.67	544.81
				6,286.01

Average Ret Age 62.9

Normal Form of Annuity	Life Annuity.
Normal Retirement Date	The date the Participant attains age 65.
Participation Eligibility	Salaried Employees of LESC who have competed 2 years of service. Participants in Capital Accumulation Plan on the Effective Date are automatically eligible to participate. Participation in the plan was frozen December 25, 1992; therefore there have been no new active participants since that date.
Account Credits	Account Credits were discontinued as of December 25, 1992.
Interest Credits	Annual rate equal to the average of the 6-month Treasury Bill yields in each of the last four weekly reporting periods ending in December of the previous plan year, plus 25 basis points, expressed as an equivalent 1-year bond yield. Accounts are credited with interest at the end of each month.
Retirement Benefits From Prior Plan	Monthly benefits earned prior to 1981 under the Lockheed Retirement Plan for Certain Salaried Employees are transferred to this Plan, and are paid in accordance with provisions of the prior plan. Benefits are based on service to 12/24/80, but on final average earnings at termination or retirement date.

Income Payable

Amount described in section (a) or (b) below, whichever applies:

(a) If Participant is married as of his retirement date, income shall be paid on the basis of Joint and Survivor form, unless otherwise elected, as stipulated by ERISA, and will be the amount determined under the benefit formula multiplied by the appropriate factor.

(b) If Participant is not married as of his retirement date or elects to receive his income under the Normal Form, retirement income will be the amount determined under the benefit formula.

Early Eligibility

Attainment of age 55 and 10 years of Service.

Early Benefit Amount

An annual benefit payable prior to Normal Retirement, but on or after the Early Retirement Eligibility Date.

Actives and Terminated Vested

Benefits from the Account Balance plan are payable as an immediate lump sum upon termination or as an annuity determined by adjusting the Account Balance by the appropriate Immediate Annuity Conversion Factor.

Predecessor plan benefits are payable as a reduced immediate annuity according the provisions of the Lockheed Retirement Plan for Certain Salaried Employees as of March 31, 1999, or as a lump sum by adjusting the immediate annuity otherwise payable by the appropriate Immediate Annuity Conversion Factor.

Vesting Schedule

100% full and immediate vesting, regardless of age or service at termination.

Preretirement Spouse Benefit

A. Eligibility	Non-married participant or married for less than 1 year.
Benefit Formula	100% of Account Balance Benefit.
B. Eligibility	Participant married for at least 1 year.
Benefit Formula	100% of Account Balance Benefit plus 50% of the lump sum value of the Prior Plan Benefit.

Vested Benefit

The Account Balance and Prior Plan benefits are payable as lump sums, immediate annuities or deferred annuities.

Plan Freeze

As of December 31, 2015, all future pay is frozen. As of December 31, 2019, all future accruals are frozen.

Changes in Actuarial Assumptions

Effective with this valuation, the following non-prescribed assumption changes were recognized:

	Prior	Current
Expense Load	$60,652	$72,191
Investment Return	8.00%	7.50%